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## News

### Project: Impact Fees

#### \*The hedging: Revenues difficult to forecast

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Harford County, one of the more recent counties to adopt an impact fee, collected its first full year of revenues from the fee in June.

Its fee is set at \$7,442 for each single-family dwelling for Fiscal Year 2007.

Impact fee revenues brought in \$3.4 million the first year in Harford County, which was slightly less than the projected \$4 million.

"I was not sure what to expect the first year," said Harford County Treasurer John Scotten.

Using a more conservative approach that factors in a slowdown of the housing market, Scotten came up with \$2 million in revenues for the fee's second year.

"With eight months of revenue collected into the second year, we're already at \$2.5 million," Scotten said.

At that rate he expects to hit \$4 million by June 30.

"We've been able to fund our school construction projects from the impact fee without using revenues from income or property taxes," he said.

In rural western Maryland, growth has been slower coming.

"We had plenty of room in our schools for years," said James Kercheval, a Washington County commissioner.

"Our biggest worry a few years ago was how to pay for maintenance or replacement of our aging schools," he said. "Now, with building permits doubling and all-day kindergarten starting, we need more schools."

Washington County adopted a \$13,000 excise tax on new homes in 2005.

But, new cash flow analysis shows the gap widening between expected revenues and expenditures.

The majority of Washington County's excise tax goes to schools with lesser portions going to libraries, parks and roads.

Washington County officials are considering revamping their excise tax calculation from a flat fee to a graduated fee based on square footage.

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